

EMPLOYMENT

I. OVERVIEW

The Employment program is the second of eleven major programs in the statewide program structure. The overall objective of the Employment program is to assure all workers full and equal opportunity to work, decent working conditions, fair treatment on the job, equitable compensation, and assistance in work-related difficulties.

The program consists of four principal sub-programs: Full Opportunity to Work; Enforcement of Labor Laws; Labor Adjudication; and Overall Program Support.

Some of the major activities in the Employment program include: investigation and corrective or regulatory action to assure appropriate working conditions, fair treatment and equitable compensation; counseling, job placement and training to increase skills, job readiness and employment opportunities; and compensation payments to lessen the impact of work-related difficulties such as unemployment, injuries and disabilities.

The two organizational entities involved in the major Employment program are the Department of Labor and Industrial Relations (DLIR) (15 lowest-level programs) and the Department of Human Services (DHS) (one lowest-level program).

Under the Employment program, significant relationships are maintained with federal agencies and private sector businesses. With the federal government, responsibilities are shared in the administration of various labor laws and programs. Funds are received from federal agencies, primarily from the U. S. Department of Labor (DOL), to implement various State employment and training programs. Private sector employers are affected by State labor laws and by activities that are coordinated with the State to increase employment, reduce work hazards, and foster equal and fair employment practices.

The DLIR produces labor force estimates in accordance with a Federal-State Cooperative program, using concepts, definitions, and technical procedures established by the Bureau of Labor Statistics, DOL. Table I-1 provides a

comparison of employment by industrial category for the calendar years 2004 and 2005.

Table I-2 shows the comparison of the employed and unemployed civilian labor force during FYs 01 to 06. The unemployment rate for Hawaii from FYs 92 to 06 is also graphically displayed. For FY 06, the statewide civilian labor force averaged 643,750, which is significantly higher than the previous year's average of 624,600. The average number employed increased from 606,000 in FY 05 to 626,100 in FY 06. During this period, the unemployment rate decreased from 3.0 to 2.7%.

Table I-3 shows the operating costs for the total Employment program for the planning period FY 05-06 to FY 12-13. The operating cost is projected to increase from \$314.2 million in FY 05-06 to \$317.6 million in FY 12-13.

TABLE I - 1
EMPLOYMENT BY INDUSTRIAL CATEGORY
HAWAII STATE, CALENDAR YEARS 2004 AND 2005

	<u>2004</u>		<u>2005</u>	
	<u>No.</u>	<u>Percent</u>	<u>No.</u>	<u>Percent</u>
Total Jobs	583,350	100.0%	602,050	100.0%
Nat. Resources, Mining, Constr.	29,450	5.0%	33,450	5.6%
Manufacturing	15,400	2.6%	15,200	2.5%
Trade, Transportation, & Utilities	112,250	19.2%	118,000	19.6%
Information	10,800	1.9%	10,750	1.8%
Financial Activities	28,800	4.9%	29,300	4.9%
Professional & Business Services	70,750	12.1%	74,000	12.3%
Educational & Health Services	67,700	11.6%	70,050	11.6%
Leisure and Hospitality	103,750	17.8%	106,500	17.7%
Other Services	24,450	4.2%	25,150	4.2%
Total Government	120,050	20.6%	119,650	19.9%
Federal	31,450	5.4%	31,300	5.2%
State	71,500	12.3%	71,150	11.8%
Local	17,100	2.9%	17,200	2.9%
Agriculture	7,300		6,850	
Other*	42,600		43,350	

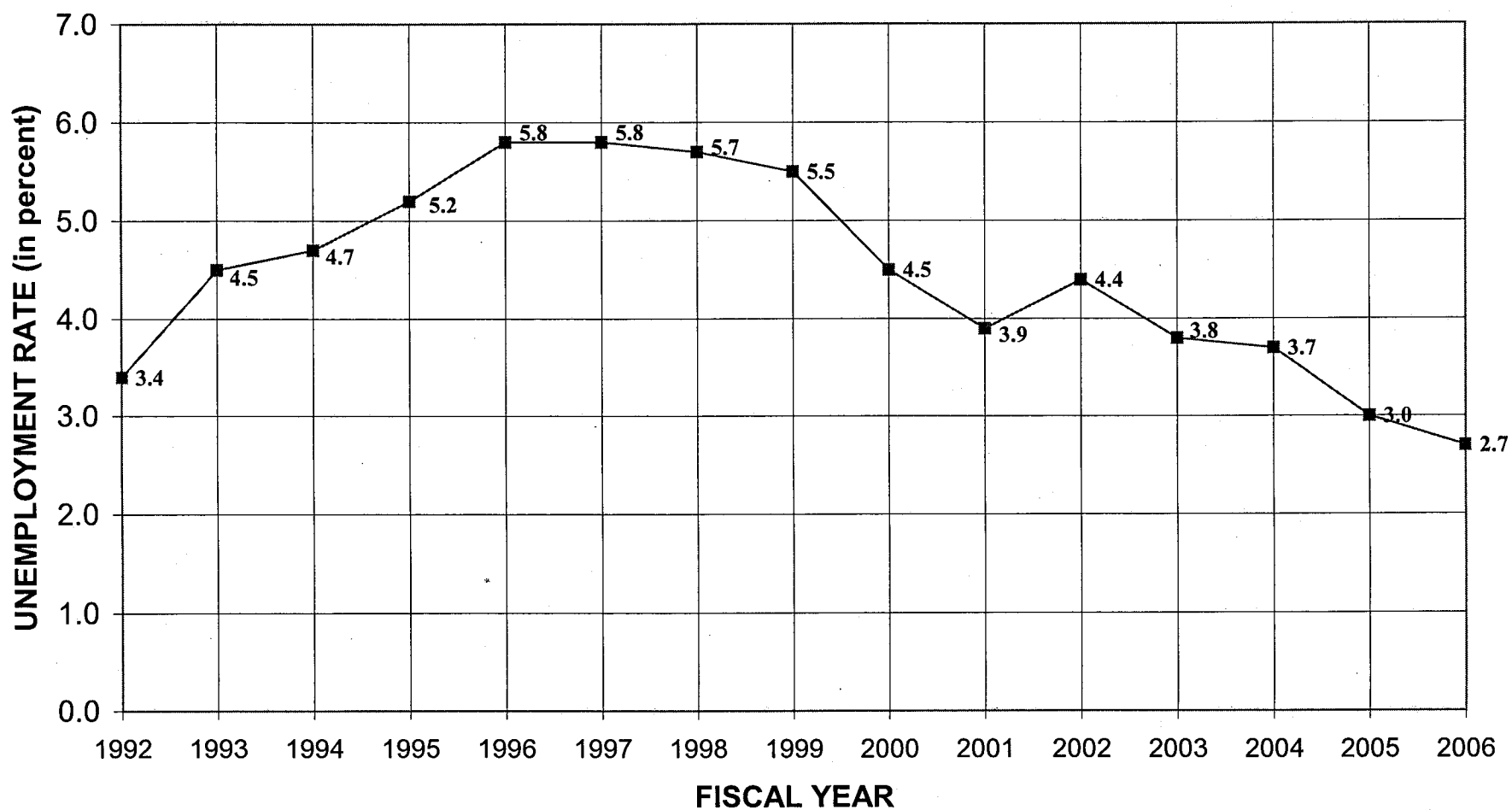
Notes:

*Includes non-agricultural self-employed, unpaid family workers and domestic workers

Data rounded to nearest 50. Totals may not add up due to rounding.

Source: Hawaii State Department of Labor & Industrial Relations, Research & Statistics Office, Labor Force Research Section.

HAWAII UNEMPLOYMENT RATES, FY 1992 TO 2006



Source: Hawaii State Department of Labor & Industrial Relations, Research & Statistics Office, Labor Force Research Section.

**TABLE I-2: CIVILIAN RESIDENT POPULATION AND LABOR FORCE
HAWAII STATE, FISCAL YEAR 2001 TO FISCAL YEAR 2006**

	<u>FY 00-01</u>	<u>FY 01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>	<u>FY 04-05</u>	<u>FY 05-06</u>
Civilian Resident Population (end of fiscal year July 1)	1,221,855	1,234,401	1,248,200	1,262,124	1,275,194	Not Avail.
Civilian Labor Force	611,100	613,800	611,600	616,200	624,600	643,750
Employed	587,300	586,550	588,350	593,500	606,000	626,100
Unemployed	23,800	27,250	23,250	22,700	18,600	17,700
Unemployment Rate	3.9%	4.4%	3.8%	3.7%	3.0%	2.7%

Source: Population data was obtained from the Department of Business, Economic Development & Tourism. Figure excludes military personnel and military dependents. Labor force data was obtained from the Research and Statistics Office, Department of Labor and Industrial Relations. Data rounded to nearest 50. Totals may not add up due to rounding.

TABLE I-3

INVESTMENT AND OPERATING COSTS

EMPLOYMENT

	F i s c a l Y e a r s							
	Actual	Est.	Rec.	Rec.	Projected			
	<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>
A. <u>Recommended Program Costs</u> ^{A/}								
Capital Investment	5.9	15.2	...	...	...	...	...	...
Operating	314.2	316.9	317.7	317.6	317.6	317.6	317.6	317.6
Total	320.1	332.1	317.7	317.6	317.6	317.6	317.6	317.6

A/ Expenditures in millions of dollars from all funds.

II. COSTS AND EFFECTIVENESS OF THE RECOMMENDED PROGRAMS

This section discusses activities, costs, and effectiveness of the four major level II programs that constitute the Employment program.

FULL OPPORTUNITY TO WORK

The Full Opportunity to Work program is the first of four major sub-programs in the Employment program. The objective of this program is to enhance an individual's opportunity to seek and obtain employment by facilitating the development of job skills and job placement. This program consists of five DLIR lower-level programs and one DHS lower-level program (Vocational Rehabilitation).

The State of Hawaii strives to maintain a high level of employment for its citizens. There are, however, many persons who are basically ill equipped to obtain and/or retain gainful employment or others, while qualified, must pay large fees to private agencies for placement. Furthermore, in some cases, individuals are discriminated against by employers for reasons such as age, sex, race, previous work injuries, prior garnishment of wages, arrest records, religion, marital status, color, ancestry and physical and/or mental disabilities. Also, unemployed workers are confronted by loss of income, savings and job opportunities. This program seeks to aid workers and potential workers who face such disadvantages by undertaking the following kinds of activities:

- Providing labor exchange services and information to match jobseekers with appropriate job openings.
- Providing services such as vocational counseling, classroom instruction, on-the-job training, and apprenticeships, to jobseekers, including target groups of unemployed persons, so they possess skills necessary to obtain and hold gainful employment.
- Providing employment programs designed to create work-experience and/or temporary job opportunities in the public sector and among non-profit agencies.
- Providing career and employment services for high school students.

- Providing employer driven training programs to improve the long-term employability of Hawaii's people, by developing their skills to meet the international, national and local economic, technological and demographic changes.

Workforce Development Council

The Workforce Development Council (WDC), administratively attached to the DLIR, is the State board mandated by the federal Workforce Investment Act (WIA) of 1998, to plan and coordinate workforce programs, services, and funding streams. It consists of 31 members who are gubernatorial appointees with responsibilities for policy advice, oversight and accountability for the federal funded WIA programs and development of a State workforce system. It also recommends and acts on State workforce development policies.

Workforce Development Program

The Workforce Development program provides employment services, and oversees and administers apprenticeship and other employment and training programs. A critical external program relationship is that held with the DOL, which provides nearly 100% of the funding for the Workforce Development program. This program is particularly sensitive to national policy and program direction in the field of human resources.

The federal government requires negotiated performance measures, a statewide workforce investment plan, one-stop service centers and an annual accomplishment and accountability report to the DOL. The involvement of private sector, workforce related agencies and community partners are mandated in the State and local workforce boards. The WIA funds are allocated to the local workforce areas based on a formula including unemployment and poverty data. The WIA (Public Law 105-220) program was implemented on July 1, 2000.

External relationships with the private sector, community representatives and consumer representatives are established as mandated to ensure comprehensive community input and perceptions in the identification of target populations to be served and the program services required to meet specific needs. Private sector input is important in the development and implementation of program plans.

WIA requires collaboration among agencies and programs in planning and delivering workforce services. The DLIR, DHS,

Department of Business, Economic Development and Tourism (DBEDT), Department of Education (DOE) and University of Hawaii (UH) are members of the WDC. All local workforce boards, two mayors and representatives of veterans, the disabled, and migrant and seasonal farm workers, are also represented on the Council. The majority of the Council and the Chairperson must be from private business management because employers (who provide jobs) and job seekers are WIA customers.

Overlapping concerns mandates close program relationships with DOE, UH, DHS, DBEDT, Department of Human Resources Development (DHRD), Office of Aging, and the State Career and Technical Education Coordinating Advisory Council.

Unemployment Insurance Program

The Unemployment Insurance program seeks to protect individuals from undue economic hardships resulting from the involuntary loss of a job and to assist those unemployed with financial assistance to resume gainful employment.

This program carries out activities designed to return to the workforce, all persons desiring but are unable to for a variety of reasons. It also provides compensation to prevent undue economic hardship during the period any person is involuntarily unable to work. The specific activities include providing compensation for able bodied workers during periods of involuntary unemployment and enabling the worker to enter a field of work in which they are adequately compensated for.

Office of Community Services

Office of Community Services (OCS), administratively attached to the DLIR, activities are designed to use a holistic approach to achieving and sustaining self-sufficiency for economically disadvantaged persons, immigrants, and refugees by contracting employment and related support services to private non-profit agencies throughout the State.

Hawaii Career (Kokua) Information Delivery System

The purpose of the Hawaii Career Information Delivery System (HCIDS) aka Career Kokua is to provide a comprehensive computerized system of local career and related educational information for the career planning and career decision-making needs of students and job seekers in the State of Hawaii.

Career Kokua's mission is to: 1) provide information essential for sound career decision-making and to have a positive impact on the career decision-making processes of Hawaii's students and workers by developing and maintaining up-to-date and localized career, occupational, and related educational information; 2) collecting and analyzing current information and developing it into usable formats for schools, career development organizations, and counseling agencies; 3) consult with, training, and supporting schools and user agencies on the use and integration of career information in counseling and instructional programs; and 4) develop and manage various platforms of computerized information delivery systems.

Vocational Rehabilitation

The Vocational Rehabilitation program enables persons with disabilities to achieve employment by providing them a wide range of vocational services, including assessment, counseling and guidance, specialized training, networking and job placement, and follow-up. The Vocational Rehabilitation program works in partnership with the State Rehabilitation Council, the WDC and employers to assist persons with disabilities to prepare for and obtain gainful employment, to further their economic self-sufficiency and independence.

Investment and operating costs and measures of effectiveness for this Level II program are shown in Table II-1 (Full Opportunity to Work). Total operating cost for this Level II program for the planning period FY 05-06 to FY 12-13 is expected to increase from \$270.40 million to \$270.77 million. During the planning period, FY 05-06 to FY 12-13, the Workforce Development program will continue to promote training and employment opportunities for low-income individuals and workers who have been laid-off from their jobs.

TABLE II-1

INVESTMENT AND OPERATING COSTS AND MEASURES OF EFFECTIVENESS/ACTIVITY

FULL OPPORTUNITY TO WORK

		F i s c a l Y e a r s						
		Actual	Est.	Rec.	Rec.	Projected		
		<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u> <u>FY 12-13</u>
A.	<u>Recommended Program Costs</u> ^{A/}							
	Capital Investment	5.90	15.12	...	...	...	...	...
	Operating	270.40	274.85	270.77	270.77	270.77	270.77	270.77
	Total	276.30	289.97	270.77	270.77	270.77	270.77	270.77
B.	<u>Selected Measures of Effectiveness/Activity</u>							
	Percent of job applicants who found jobs	58	58	58	58	58	58	58

^{A/} Expenditures in millions of dollars from all funds.

ENFORCEMENT OF LABOR LAWS

Enforcement of Labor Laws is the second of four Level II sub-programs under Employment. It seeks to assure and protect the rights of jobseekers and workers related to fair and equitable treatment for hiring, on-the-job matters, safe and healthful working conditions, and undue economic hardships resulting from work or non-work related injury or illness.

This Level II program consists of five programs: Occupational Safety and Health Division, Wage Standards Division, Hawaii Civil Rights Commission, Disability Compensation Division, and Office of Language Access.

The industrial environment has traditionally been the scene of fatalities, injuries and health hazards for workers, as well as a source for public safety hazards. While enforcement has been the traditional tool for government to address both public and worker safety issues, the current strategy is for government to utilize a variety of activities including training, outreach, partnerships, and a mix of incentives and disincentives to achieve not only voluntary compliance with safety rules, but accident prevention and reduction of worker's compensation costs. The following major objectives are undertaken in this program:

- Assure workers of their lawful rights and benefits related to wages, safeguard against unlawful employment practices, and promote voluntary compliance by educating and assisting employers.
- Safeguard and assure the rights of the public against discriminatory practices due to race, color, religion, age, sex, marital status, national origin, ancestry, or handicapped status in employment, housing, and public accommodations through enforcement of anti-discrimination laws and providing public education and outreach.
- Alleviate the economic hardships resulting from the loss of wage income due to work or non-work connected disability and provide vocational rehabilitation opportunities and incentives for industrially-injured workers.
- Provide centralized oversight, central coordination, and technical assistance to state agencies when implementing language access requirements between all levels of

government and individuals who are precluded from using public services due to language proficiency barriers.

Hawaii Occupational Safety and Health Program

The Hawaii Occupational Safety and Health (HIOSH) program is one of 26 approved State plans authorized under the federal Occupational Safety and Health Act (OSHA). The Act requires that states have a consultation program of which the federal government provides 90% of the funding. Continued State plan approval entails an annual evaluation program to ensure that the State's program is "as effective as" that of OSHA. OSHA provides up to 50% of the funding for the HIOSH program. In addition, overlapping areas of concern mandate close program relationships with the Department of Health, DBEDT, DHRD and the State Fire Council. At the county level, close program coordination is maintained with the county fire and civil defense agencies. At the federal level, the division maintains a relationship with the Bureau of Alcohol, Tobacco, and Firearms (currently part of the Department of Homeland Security).

Both the occupational safety and health and the boiler and elevator safety programs have regulatory responsibilities over the public as well as private sector. Other state agencies as well as county government must comply with the same rules as the private sector. Fees and citations are assessed in the same manner as for the private sector.

Since the beginning of the program in 1974, the injury and illness rate has declined by 58% from 13.8 in 1974 to 5.8 in 2004, with most of the decline occurring since 1992, when the program instituted federally-mandated penalty increases as well as increased outreach and assistance for employers.

Wage Standard Program

The Wage Standards program provides the means whereby covered employees can report alleged violations of various labor laws and seek assistance in collecting back pay and obtaining other lawful rights and benefits relating to unpaid wages, minimum wage, overtime, child labor, family leave, prevailing wages and hours on government construction projects, lie detector tests, and unlawful termination due to work injury. Major activities include: 1) investigation and hearing of complaints and appeals; 2) certification relating to child labor, sheltered workshops, special minimum rates, and payday

exceptions; 3) random compliance checks; and 4) educational workshops.

In addition, joint enforcement responsibility under the State public works law relating to prevailing wages and hours requires close working relationships with the various state and county governmental contracting agencies. Memoranda of agreements have already been negotiated with the DOT and DAGS. Appeals and litigation to enforce various labor laws mandate a coordinated working relationship with the Department of the Attorney General.

Hawaii Civil Rights Commission

The Hawaii Civil Rights Commission (HCRC), administratively attached to DLIR, has enforcement jurisdiction over State laws prohibiting discrimination in employment, public accommodations, real property transactions, and State funded services. The Commission provides a mechanism for a uniform procedure for the enforcement of the state discrimination laws. It receives, investigates, conciliates, and litigates complaints. The Commission also holds hearings and conducts public education, and has initiated a voluntary mediation program.

Federal fair employment and fair housing laws are enforced by the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Housing and Urban Development (HUD), respectively. Pursuant to work share cooperative agreements, both EEOC and HUD rely on the HCRC to investigate complaints under both state and federal law ("dual-filed" complaints).

While Hawaii and federal fair employment and fair housing laws are similar, they are not identical. Hawaii has protected classes that are not covered under federal law, in addition to other substantial differences in the scope of jurisdiction. Hawaii law provides stronger protection against discrimination in several areas.

Disability Compensation Program

The Disability Compensation program seeks to alleviate and protect individuals from the economic hardships resulting from the loss of wage income due to work or non-work connected disability and provide vocational rehabilitation opportunities and incentives for industrially injured workers.

The Disability Compensation program carries out activities designed to return to the workforce, all persons desiring to but are unable to for a variety of reasons. The specific activities include providing compensation to workers who are unable to work for reasons of illness or injury; providing health care coverage to help workers meet high costs of hospital and medical care; and assisting workers with physical, mental, or behavioral disabilities by providing training, therapy, counseling, treatment, and prosthetic devices. In many cases, these activities enable the worker to enter a field of work in which physical or other deficiency is adequately compensated for.

Office of Language Access

Language for limited English proficient persons can be a barrier to accessing important benefits or services, understand and exercising important rights, complying with applicable responsibilities, or understanding other information provided by State funded programs and activities. To address the language access needs of limited English proficient persons, the Office of Language Access provides oversight, coordination, and technical assistance to State agencies when implementing language access requirements between all levels of government and individuals who are precluded from using public services due to language proficiency barriers. The Language Access Advisory Council, consisting of an 11-member board, serves in an advisory capacity on the overall quality of oral and written language services provided to limited English proficient persons in Hawaii.

Operating costs and selected measures of effectiveness for the recommended program are shown on Table II-2 (Enforcement of Labor Laws). Annual operating costs for this Level II program for the planning period FY 05-06 to FY 12-13 will increase from \$35.21 million to \$37.18 million.

TABLE II - 2

INVESTMENT AND OPERATING COSTS AND MEASURES OF EFFECTIVENESS/ACTIVITY

ENFORCEMENT OF LABOR LAWS

		F i s c a l Y e a r s							
		Actual	Est.	Rec.	Rec.	Projected			
		<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>
A.	<u>Recommended Program Costs</u> ^{A/}								
	Capital Investment								
	Operating	35.21	35.90	37.26	37.18	37.18	37.18	37.18	37.18
	Total	35.21	35.90	37.26	37.18	37.18	37.18	37.18	37.18
B.	<u>Selected Measures of Effectiveness/Activity</u>								
	Percentage of subject employers in compliance.	80	85	85	85	85	85	85	85

A/ Expenditures in millions of dollars from all funds.

LABOR ADJUDICATION

This sub-program is the third of four Level II programs in the overall Employment program. It seeks to provide prompt response, equitable treatment, and administrative redress of grievances to parties appealing decisions as provided by the workers' compensation and other labor laws, and to resolve disputes in collective bargaining for employees.

The Labor Adjudication program consists of three lower-level programs and is administered wholly within the DLIR. The programs are the Hawaii Labor Relations Board (HLRB), Labor and Industrial Relation Appeals Board (LIRAB), and Employment Security Appeals Referees' Office (ESARO).

Hawaii Labor Relations Board

The HLRB administers Chapters 89 and 377, HRS, and serves in a neutral quasi-judicial capacity to promote harmonious and cooperative labor-management relations, and resolve disputes in collective bargaining for employees. The Board, administratively attached to DLIR, provides a means to resolve unfair labor practice charges or complaints. The primary role of the HLRB is to resolve collective bargaining disputes involving State and county employees. It has limited jurisdiction over private sector employees who do not fall under the jurisdiction of the federal National Labor Relations Board. Attempts are made through the HLRB to minimize controversies and expedite the resolution of disputes between labor and management.

In addition, the HLRB decides contests and appeals of decisions rendered by the Director of Labor and Industrial Relations, State of Hawaii, through HIOSH under Chapter 396, HRS. These cases are typically employer contests of citations and penalties issued and appeals in discrimination cases involving retaliation against employees for reporting safety and health violations. The HLRB endeavors to provide a forum for the fair and efficient adjudication of safety and health contests by balancing the rights of employers while securing the safety of their workers.

Labor and Industrial Relations Appeals Board

The LIRAB provides fair treatment for individuals in the prompt, just, and inexpensive review of appeals from Workers' Compensation and Occupational Safety and Health

(Boiler/Elevator) decisions of the Director of Labor and Industrial Relations. The activities of the LIRAB are designed to enhance program effectiveness and efficiency by providing prompt response, equitable treatment, and administrative redress to parties appealing to the Board on various labor laws.

Employment Security Appeals Referees' Office

The ESARO is the appellate arm of the Unemployment Insurance (UI) program in the administration of Chapter 383, HRS. Individual Appeals Officers hear and decide appeals filed by claimants and employers from determinations issued by Hawaii's UI program. ESARO also provides hearings on appeals arising from other employment security programs in DLIR. ESARO provides parties with a fair opportunity to be heard and decides whether the UI determination will be affirmed, reversed, or modified. These ESARO functions play an integral part in promoting the overall UI program objective of alleviating the financial hardship of qualifying unemployed individuals.

Operating costs and selected measures of effectiveness for the recommended program are shown on Table II-3 (Labor Adjudications). Annual operating costs for this program through the planning period FY 05-06 to FY 12-13 is expected to increase from \$1.13 million to \$2.13 million.

TABLE II - 3

INVESTMENT AND OPERATING COSTS AND MEASURES OF EFFECTIVENESS / ACTIVITY

LABOR ADJUDICATIONS

		F i s c a l Y e a r s						
		Actual	Est.	Rec.	Rec.	Projected		
		<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u> <u>FY 12-13</u>
A.	<u>Recommended Program Costs</u> ^{A/}							
	Capital Investment							
	Operating	1.13	1.12	2.13	2.13	2.13	2.13	2.13
	Total	1.13	1.12	2.13	2.13	2.13	2.13	2.13
B.	<u>Selected Measures of Effectiveness/Activity</u>							
	Percentage of decisions rendered on a timely basis (30 days).	79	80	80	80	80	80	80

^{A/} Expenditures in millions of dollars from all funds.

OVERALL PROGRAM SUPPORT

This program is the fourth of four Level II major sub-programs. It seeks to enhance the effectiveness and efficiency with which the objectives of the program are achieved by providing executive direction, program planning and analysis, other program support, and administrative services.

This Level II program consists of two lowest-level programs administered by the DLIR and include the Data Gathering, Research and Analysis and General Administration. The program provides administrative and other housekeeping services for various programs involved in employment and training.

This program accomplishes its tasks by undertaking the following activities:

Data Gathering, Research, Analysis for Employment - Activities are designed to enhance program effectiveness and efficiency by gathering, analyzing and reporting workforce, employment, unemployment, and other labor-related economic data as well as labor program operations management information.

General Administration for Employment - Activities are designed to enhance program effectiveness and efficiency by formulating policies, directing operations and personnel, and providing other administrative and housekeeping services.

Investment and operating costs and measures of effectiveness for this Level II program are summarized in Table II-4 (Overall Program Support). Annual operating costs for this Level II program from FY 05-06 to FY 12-13 will increase from \$5.86 million to \$7.52 million.

TABLE II-4

INVESTMENT AND OPERATING COSTS AND MEASURES OF EFFECTIVENESS/ACTIVITY

OVERALL PROGRAM SUPPORT

		F i s c a l Y e a r s							
		Actual	Est.	Rec.	Rec.	Projected			
		<u>FY 05-06</u>	<u>FY 06-07</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>
A.	<u>Recommended Program Costs</u> ^{A/}								
	Capital Investment								
	Operating	5.86	7.51	7.52	7.52	7.52	7.52	7.52	7.52
	Total	5.86	7.51	7.52	7.52	7.52	7.52	7.52	7.52
B.	<u>Selected Measures of Effectiveness/Activity</u>								
	Percentage of federally mandated reports that meet deadlines.	99	99	99	99	99	99	99	99

A/ Expenditures in millions of dollars from all funds.

III. PROGRAM CHANGE RECOMMENDATION

Program structure and measures of effectiveness for FB 2007-09 in the Employment program was significantly changed to realign programs, develop meaningful objectives statement, and quantifiable performance measures. The five major Level II programs were reduced to four major program levels. In addition, three lowest-level programs were added to align the objectives of the programs with the major program level.

For FB 2007-09, the Employment program is requesting an increase in general funds of \$587,327 in FY 08 and \$509,327 in FY 09. The major changes for each lowest-level program are discussed below.

OFFICE OF LANGUAGE ACCESS

To adhere to Presidential Executive Order 13166, Act 290, SLH 2006, was enacted to mandate that certain forms and documents or oral services be provided to persons with limited English proficiency by State agencies. The Act further provided six permanent positions and \$440,000 in general funds for FY 07. FB 2007-09 is requesting to continue the existence of the language access program to coordinate, provide oversight, and technical assistance to State agencies in their implementation of language access requirements for limited English proficient persons.

OFFICE OF COMMUNITY SERVICES (OCS)

The OCS administers programs to alleviate the conditions of poverty for Hawaii's low income, economically disadvantaged and immigrant populations primarily through contracts with private non-profit agencies. Recognizing the need to provide assistance to needy individuals and families to achieve self-sufficiency, the Legislature regularly award operating and capital improvement grants to non-profit organizations. In FY 04, the Legislature awarded five grants for a total appropriation of \$3.2 million. In FY 06, the number of grants had increased to 38 with a total appropriation of over \$19.8 million. The additional temporary program specialist and \$55,000 in general funds for FB 2007-09 will alleviate the grant administration and execution.

IV. EMERGING CONDITIONS, TRENDS AND ISSUES

A major focus during the upcoming biennium will be to conform to national initiatives by:

- Continuing to provide customers with easy access to program services and workforce information through One-Stop Career Centers (including services provided by State, county, and private non-profit agencies) to help customers make informed choices.
- Continuing efforts to increase the efficiency and effectiveness of the UI program by providing employers with access to various unemployment insurance services through the Internet, upgrading Information Technology infrastructure and enhancing benefit payment control capabilities.

WORKFORCE DEVELOPMENT

The new paradigm in promoting workforce development is that the availability of skilled human resources influences the capacity for economic development. Hawaii's focus on diversifying its economy by emphasizing technology businesses is being limited by the shortage of technology workers. There are also growing shortages in selected health occupations, teaching fields, skilled trades occupations, law enforcement and other protective service jobs. The State's ability to compete for workers seems to be limited by education opportunities, noncompetitive pay, high cost of living and affordable housing. Reforms in education and availability of responsive training programs for emerging, expanding and upgrading worker skills should be emphasized and prioritized if the State is to successfully achieve a competitive 21st century workforce.

The Workforce Development programs will continue to focus upon improving access to employment and training programs. With a continued decline in the number of young entrants into the labor force, the significant impact of technology on the workplace, and a continuing growth in most occupations (see Job outlook section below), the Workforce Development programs are preparing to increase recruitment through electronic job boards, increased outreach efforts, and programs to prepare unemployed persons for work.

Efforts will be directed toward recruiting and preparing workers from groups that have traditionally had low participation rates in the workforce. The Workforce Development programs will continue to focus efforts on strengthening partnerships with employers and other service organizations to coordinate and expedite the match of job seekers and available jobs.

Workforce development is seen as the key resource to changing skill demands, especially in technology industries and occupations. Hawaii's initiatives to diversify the economy have attracted new technology and expanding businesses that are in need of skilled workers.

Ten one-stop centers and three satellite offices in four local workforce areas (Oahu, Hawaii, Kauai and Maui Counties) are serving adult, dislocated and youth job seekers. Employers may place job orders through HireNet Hawaii, an electronic job board, or by contacting the Centers, and they may access upgrade training for their workers through the Employment and Training Fund (ETF). Job seekers may seek work through HireNet Hawaii or by visiting the One-Stop Career Centers where they also may receive assessment, counseling and training services.

Key to the development of a workforce system for the State is the leadership of the state and local workforce investment boards (WDC and LWIBs). These private/public partnership boards and youth councils are mapping the workforce policies and strategies for their communities. Training and youth service providers are being contracted to carry out these services.

There are many existing pieces in the workforce development system that needs to be connected and coordinated to maximize effectiveness and efficiency. DLIR has the partnership, leadership, the federal resources and some State resources to deliver employment services to the public, target populations and businesses and industries that need workers. Over the past four years, DLIR has continued to improve and expand on the unified Workforce Investment Act plan to obtain federal monies from WIA and a State Workforce Development Strategic Plan which sets a blueprint for system development. DLIR has long had lead responsibilities for being the workforce point agency and the convener for collaborative agencies and community organizations.

The major focus of the Vocational Rehabilitation program during the next biennium will be on:

- Training counselors in the field of rehabilitation to meet the diverse needs of individuals with disabilities, especially the most significantly disabled to achieve their maximum employment and economic self-sufficiency.
- Coordinating with workforce development system to provide individuals with disability participation and access to its vocational training and employment programs.
- Development of resources to develop job and career opportunities for individuals with disabilities in the competitive labor market through partnerships with private industry.

JOB OUTLOOK

Hawaii's economy is expected to remain healthy for the next few years. The service-producing industries and goods-producing industries are projected to post overall increases. Service-producing industries will dominate job gains primarily due to its large size. Forecasts indicate increases in the following types of jobs which represent the largest occupational divisions in the State: education, health and medical care, food preparation service, hotel, restaurant and retail.

Within education, elementary and secondary school teachers will offer the most openings. Reflecting the demand in healthcare, jobs for registered nurses will be plentiful. Employment prospects also appear favorable for those with computer skills and knowledge such as network systems and data communication analysts, network administrators, and computer software engineers for both applications and systems software.

Office and administrative support occupations will remain one of the larger occupational categories. Its growth rate, however, will not be as significant in comparison to the other occupational groups.

The widespread use of electronic business by employers will contribute to the decline. Most of the job opportunities will arise from job turnover and will be best for general office clerks, stock clerks and order fillers, and customer service representatives.

Goods-producing industries will increase at a slightly slower pace than service-producing industries. Strong growth within the construction industry in both residential and nonresidential construction will provide positive employment gains in this sector.

Transportation and material moving occupations will increase at a moderate pace. The largest job advances will be attributed to hand laborers and freight, stock, and material movers. With the developing cruise industry, ship captains, mates, pilots and technicians for water vessels, are expected to provide many job opportunities.

Although the construction and extraction occupational group will remain relatively small, this group is projected to expand the fastest. Various ongoing and planned construction projects will increase the need for construction and extraction workers. These include: tile and marble setters, cost estimators, and carpenter helpers.

Modest employment gains are anticipated for installation, maintenance, and repair; and production occupations due to continued technological developments and the increased use of automated machinery. General maintenance and repair workers; first-line mechanic supervisors/managers, installers, and repairers; and automotive service technicians and mechanics will create most of the openings in these categories. Production jobs will also grow with welders, cutters, solderers, and brazers expanding the fastest.

Farming, fishing and forestry occupations will provide the fewest number of openings and is anticipated to rank last in terms of growth. As farming continues to be done on a lesser scale, opportunities will be very limited.

FEDERAL LEGISLATION

In accordance with the federal Workforce Investment Act of 1998, a continued major effort will be to deliver coordinated workforce development services and comprehensive information through One-Stop Centers.

ECONOMY

In light of the workforce's impact on economic conditions, the DLIR needs to collaborate with DBEDT, UH, the counties, and the private sectors to provide timely training and invest

resources for targeted industries with the potential for economic development. The WDC has identified this objective as one of the state's highest workforce development priorities.

V. SELECTED PROBLEMS FOR POSSIBLE STUDY

The DLIR does not foresee any urgent problems that should be studied to develop alternative courses of action to increase the program's effectiveness.